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January 23, 2002

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JAN 23 2002

Magalie Roman Salas, Esquire  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Cross-Ownership of Broadcast Stations and Newspapers, MM Docket No. 01-235  
Notice of Ex Parte Presentation

Dear Ms. Salas:

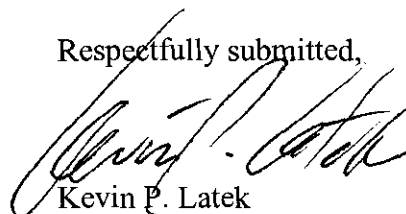
On Saturday, January 19, 2002, FCC Chief Economist David Sappington met with the Media General management identified in the attached Memorandum concerning the above-referenced proceeding. I also attended the session.

The meeting took place at The News Center in Tampa, Florida, from which Media General operates *The Tampa Tribune*, WFLA-TV, and TBO.com. The meeting included a tour of The News Center and a presentation on the converged operations of the three media outlets by their management teams. The enclosed Memorandum summarizes the topics discussed with Mr. Sappington.

Although we did not provide Mr. Sappington with any written materials, we displayed during the meeting the enclosed overhead PowerPoint slide presentation. The discussions did not introduce any data in addition to that provided in the Comments filed by Media General in this proceeding, except to the extent indicated in the Memorandum.

If you have any questions about this notice, please contact me directly.

Respectfully submitted,



Kevin P. Latek

cc w/ encl. by hand delivery:  
Mr. David Sappington

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**MEMORANDUM  
of Ex Parte Presentation**

This Memorandum summarizes a meeting at The News Center in Tampa, Florida, on January 19, 2002, among FCC Chief Economist David Sappington and the following individuals:

George L. Mahoney, Media General, Inc. Secretary and General Counsel  
Dan Bradley, Vice President, News, Media General Broadcast Group  
Kevin P. Latek, Dow, Lohnes & Albertson, PLLC, counsel to Media General, Inc.

Eric S. Land, General Manager, WFLA-TV  
Forrest Carr, News Director, WFLA-TV  
Joseph Pomilla, General Sales Manager, WFLA-TV

Steve Weaver, Publisher, *The Tampa Tribune*  
Gil Thelen, Vice President and Executive Editor, *The Tampa Tribune*  
Donna Moore, Southeast Regional Sales Manager, Media General Florida  
Publishing Group

C. Kirk Read, General Manager, TBO.com  
James S. Riley, Jr., Content Manager, TBO.com  
Terry L. Taormina, Sales & Marketing Manager, TBO.com

This Memorandum does not restate arguments or data previously submitted to the Commission in the Comments of Media General, Inc. ("Media General").

Mr. Land led a discussion of Media General's experiences with converged news operations at *The Tampa Tribune*, WFLA-TV, and TBO.com. The discussion repeatedly referenced an overhead PowerPoint presentation, a copy of which is attached hereto.<sup>1</sup>

Media General is a relatively small company, and it faces formidable competition. Other local players include Fox, AOL Time Warner, Sinclair, Gannett, Knight-Ridder, the Poynter Institute, and Viacom. Nevertheless, Media General has managed to operate the number one television station and the number one local web-site in the DMA. Media General's success is due in large part to the superior news product offered by its local outlets, which in turn is aided by the convergence of the outlets' news gathering operations.

***Benefits of Convergence***

***Better news products.*** The presentation highlighted three recent examples of "converged" news stories presented by the three outlets: the Ybor City fire, damage to the Sunshine Bridge, and an ombudsman program called "Citizen's Voice." Converged news stories benefit the public by providing more information, more angles to a story, and deeper analysis, often in less time and on

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<sup>1</sup> The slide presentation included data on the number of local media outlets. This data differed in a few minor respects from that reported in Media General's Comments as a result of slight differences in the definitions used for outlets and markets.

more platforms than would otherwise be possible. These and similar stories provide the public with information that is made more informative, timely, and valuable through the combination of professionals and other resources employed by the three closely collaborating media outlets.

Some of these stories are publicized in a manner that benefits the public, even at the possible cost of ratings and circulation. For example, WFLA-TV's ground-breaking investigation of damage to the Sunshine Bridge was first publicized in the pages of *The Tribune*. Similarly, *The Tribune*, by collaborating with WFLA-TV and TBO.com, constantly broadcasts to its competition its ideas for new stories and for new angles to existing stories.

Media General believes, however, that providing the best service to the customer is good business, even if data proving this is not readily accessible. Indeed, it is worth noting that, despite a serious advertising recession and the elimination of newscasts at television stations nationwide, Media General's complement of full-time news professionals in Tampa has increased since the three outlets moved into The News Center.

**Improved journalism.** Convergence is all about strengthening journalism. By dealing collaboratively with multiple platforms, journalists have changed their view of news and their understanding of their jobs. Previously, they thought of a story as "belonging" to the paper or the station – of being "our story." Now, they see the community as the owner of the story, which forces them to ask "How do we return the story to the public?"

While it is difficult to measure quality empirically, evidence exists that Media General's outlets produce high quality news products. First, the Project for Excellence in Journalism has found a correlation between ratings and what it deems to be high quality television newscasts. This is not surprising, because consumers "vote" with their quarters, ratings, and mouse clicks. Here, WFLA is the not only the number one-rated station in the DMA, it also recently won an award for the best political coverage in 2000. The station dominates ratings on big stories, including last year's Super Bowl, despite the fact that it did not broadcast NFL regular season games. Likewise, TBO.com is consistently rated the most visited web-site in Florida. In addition, *The Tribune's* circulation is growing in its core market. This represents a reversal of a downward trend in newspaper circulation at *The Tribune* (indeed, at daily newspapers generally), and it is even more remarkable because *The Tribune* has increased circulation while cutting promotional expenses. (The newspaper, however, still participates in and/or sponsors over 300 local community events each year.)

Another measure of the success of convergence can be found in the response of *The Tribune's* cross-town rival, the *St. Petersburg Times*. At first, the *Times*, which is owned by the independent Poynter Institute, characterized Media General's convergence efforts as a marketing ploy and as consolidation. Less than a year later, however, it entered into a partnering arrangement with Gannett's local CBS station. Thus, the *Times* appears to have moved from criticism of convergence to recognizing the value of convergence with its own actions.

In another testament to the appeal of convergence, Media General has hosted over 50 visits from other news organizations in the two years since The News Center opened. Academics are coming as well to learn how to prepare their students for the future by learning from Media General's Tampa experience. Media General also receives constant information requests from overseas journalists.

**Advertiser benefits.** Convergence benefits advertisers, too. Three examples illustrate this. First, the local Federated Department Store chain (Burdines) increased its local advertising

expenditures after Media General presented a multi-platform (newspaper, television, internet) advertising solution to the company. The increased expenditures contrast markedly with the trend of Federated stores in other markets, most or all of which are witnessing a sizeable decrease in advertising budgets.

Second, Bay Care, a consortium of local health-care providers, entered into an unprecedented five-year deal to produce medical information content for on-air vignettes, newspaper articles, and an on-line medical information database. This program will benefit the public by providing a long-term information source for information on TBO.com. It benefits the advertiser by providing an opportunity for branding as well as recruiting doctors and nurses.

Third, the Florida Strawberry Festival, which takes place annually in the small town of Plant City, turned to Media General last year after two “big name” country artists cancelled appearances. Media General designed a multi-platform advertising campaign that resulted in increased attendance and faster ticket sales than the Festival had experienced previously. The Festival benefited from this exposure, and it has signed on again this year.

### ***Editorial Independence v. Homogenization***

Despite cooperation on news gathering, each of Media General’s three Tampa news outlets exercises independent control over its content. It is not uncommon for *The Tribune* to criticize WFLA-TV. Last year, for example, a WFLA-TV reporter became a witness in a high-profile criminal case, and *The Tribune* criticized WFLA-TV’s handling of the story. The outlets sell credibility, and a perceived lack of credibility will hurt circulation and ratings, and, in turn, revenues.

Local reader/viewer needs drive the content decisions made by the three outlets. As a result, the three outlets all compete against each other on a journalistic basis, as well as on a revenue basis. If they spoke with one “voice” – that is, if they “homogenized” news coverage – they would be unresponsive to their customer basis, would reduce consumer choice, and would hurt the credibility and appeal of all three outlets. If their news coverage becomes homogenized, one or more of their competitors in the market will step in to fill the void. Equally important is the role played by the journalistic integrity of the outlets’ reporters. If WFLA-TV and *The Tribune* decided to present a single “voice” on news, Media General’s management believes that a number of staff members would leave their jobs instantly. In short, the marketplace, rather than the government, ensures that the three outlets, despite convergence, are focused on serving their own individual audiences.

### ***Need for Co-ownership***

Achieving convergence on a scale similar to that present at The News Center requires common ownership of the outlets involved. Employee rewards, incentives, and compensation need to be consistent, and confidential information needs be shared across platforms. In addition, the leaders and the line participants all need to cooperate without “keeping score” of the benefits achieved and credits given. These actions simply cannot take place in an environment in which the content professionals and sales professionals ultimately report to different owners.

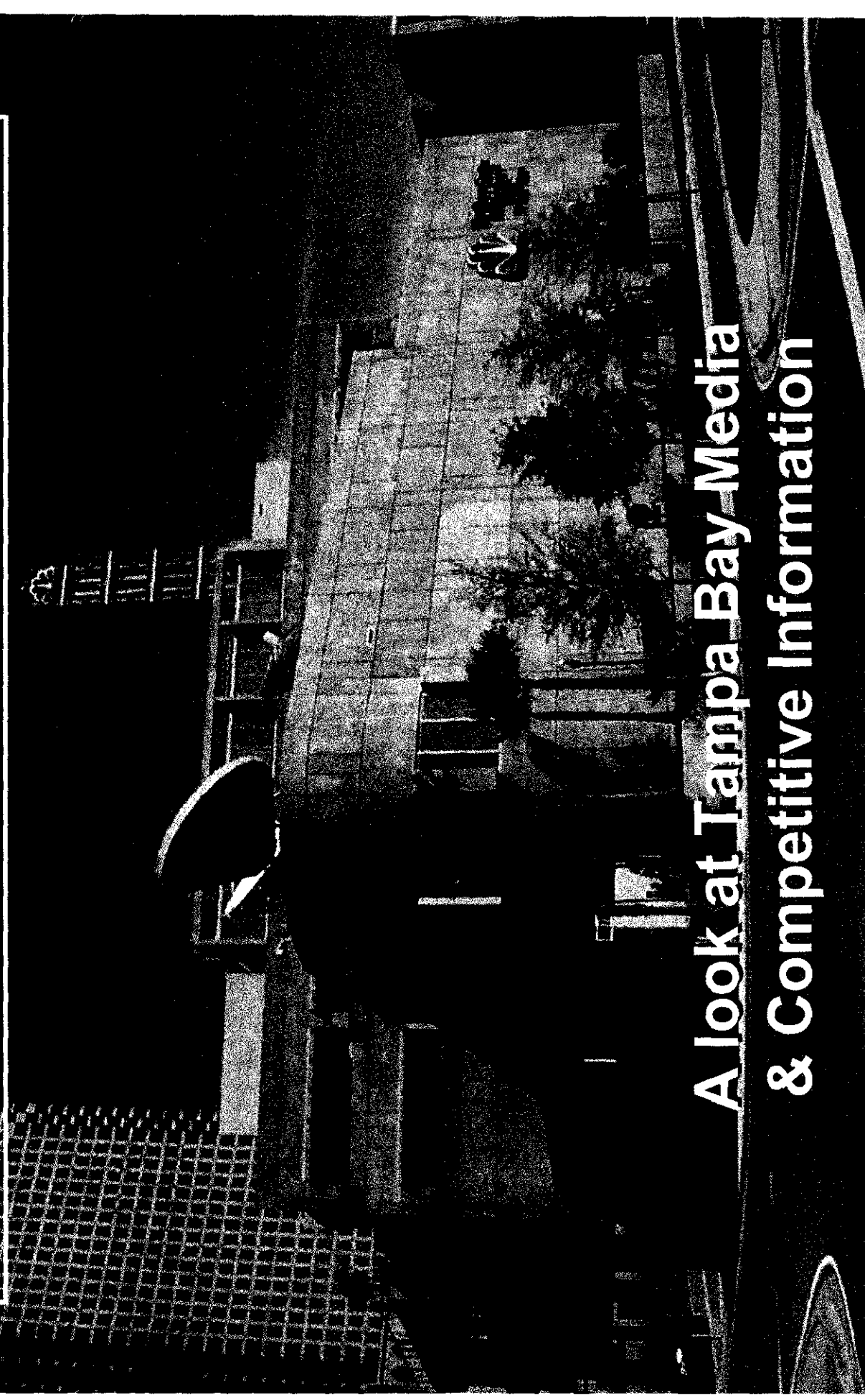
For example, Media General’s Tampa outlets allow themselves to be “scooped” by each other if doing so serves the interests of the unified company. That simply would not happen in a news alliance between non-commonly owned companies. Commonly owned media outlets focus on the common good – on getting the story to the public first, on the most practical platform. Non-commonly owned media instead focus on their individual needs, which can often lead to a delay in

reporting news or to superficial analysis of an important story. In other words, journalists at the non-commonly owned partnerships are more likely to ask “What’s in it for us?”; journalists at commonly owned, converged outlets increasingly ask “What does our particular community of interest need?”

Common ownership also encourages participants to make long-term investments in each other. For example, on January 4, 2002, the New York Times Publishing Group announced that it would be ending the news alliance between its Tampa DMA media outlets (the *Sarasota Herald Tribune* and SNN6 cable news channel) and the *St. Petersburg Times*. Instead, the New York Times outlets are beginning a new partnership with Media General’s Tampa outlets. The changing alliances illustrate how even good, working news alliances between non-commonly owned media outlets are impermanent. Indeed, Media General itself has learned this lesson in two markets (Winston-Salem and Richmond). There, Media General’s newspapers made significant commitments toward news alliances with local broadcast stations only to have the other parties subsequently decide to unwind or pull back from the alliances. Yet, if the properties involved in these news alliances were commonly owned, it is far more likely that they would today be working closely together in a manner similar to Media General’s Tampa outlets so that their local communities would receive the benefits of convergence.

# ***Convergence Overview***

**A look at Tampa Bay Media  
& Competitive Information**



**General**

# Tampa Bay Market Overview

**America's 14<sup>th</sup> Largest Television Market.**

**Florida's Largest Television Market.**

**Over 3.7 million people reside in the bay area.**

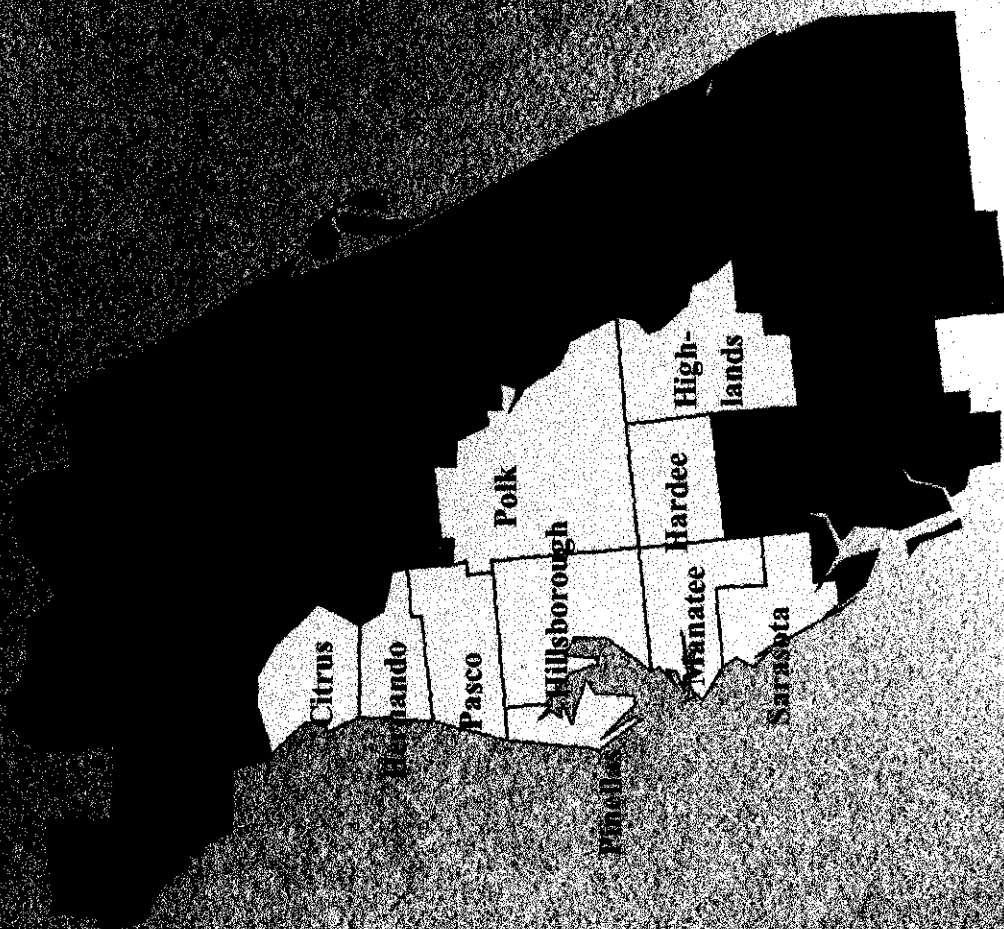
**\$68 Billion in Effective Buying Income.**

**Also a MAJOR Test Market.**

**Sources: Nielsen Media Research & The Survey of Buying Power, 2001.**



# Tampa Bay Market Overview



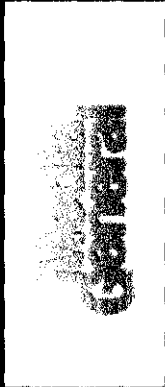
Covering  
10 Counties  
in the  
Tampa Bay  
DMA.



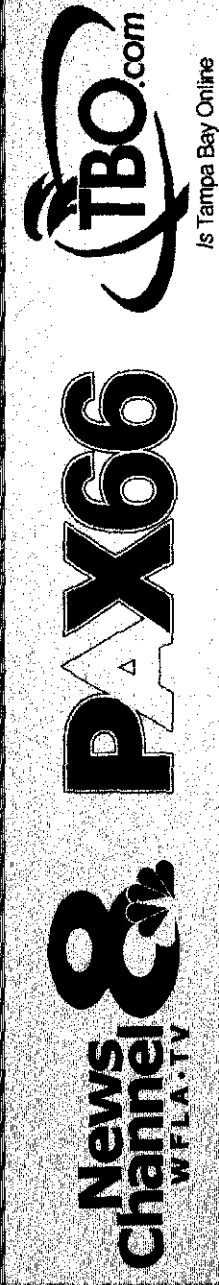
Is Tampa Bay Online







# The Convergence Laboratory





**Tampa Bay  
has a large  
number of  
different  
media  
outlets:**



## **Competitive Environment**

**Broadcast Television Stations (15 plus 11 L.P.'s).**

**Cable Companies (11).**

**Radio Stations (55).**

**Daily Newspapers (6).**

**Internet (4 major portals).**

**Outdoor Billboard (2 major companies).**

**Direct Mail (3 major companies).**

**Yellow Pages** (12 with Verizon being primary).



**Tampa Bay  
has at  
least 15  
full-power  
stations...**



## Tampa Bay Television Stations

<u>Station</u>	<u>Channel</u>	<u>Affiliation</u>	<u>Owner</u>
WFLA-TV	8	NBC	Media General
WEDU	3	PBS	N/A
WTSP	10	CBS	Gannett
WTVT	13	FOX	FOX
WUSF	16	PBS	State of Florida
WCLF	22	REL.	N/A
WFTS	28	ABC	Scripps-Howard
WMOR	32	IND.	Hearst-Argyle
WTTA	38	WB	Sinclair
WWSB	40	ABC	Southern Broadcasting
WTOG	44	UPN	Paramount
WFTT	50	Telefutura	Univision
WRMD	57	Telemundo	Telemundo
WVEA	62	Univision	Entravision
WXPX	66	PAX	PAX

**... PLUS at least 11 Low-Power TV Stations  
in the greater Tampa Bay DMA.**

**Total 2000 Revenue = \$284.5 Million.**



The Tampa Bay  
DMA has a Cable  
Penetration of  
77%.

Cable Revenue in  
2000 was \$87.6  
Million.



# Tampa Bay Cable Companies



**Time Warner\***

THE major MSO and owners of Bay News 9  
and the Tampa Bay Interconnect. Other MSO's include:





## Tampa Bay Radio Stations

**There are over 55 radio stations in the Tampa Bay DMA, with total revenue of \$142 Million.**

**Over the years, the bay area has been a hotbed for the origination of a number of radio formats.**

**Major radio owners include COX, CBS and Clear Channel.**

**WFLA-TV simulcasts its 6pm news on Wonn-AM (Polk County) and WZHR-AM (Pasco County) as well as its 5-7am and 5-6pm newscasts on WWBA-AM (Hillsborough & Pinellas Counties). These stations cover WFLA-TV's spots with their own and offered extensive news coverage during the September 11<sup>th</sup> attacks.**





## Tampa Bay has over 25 FM radio stations



# Tampa Bay FM Radio Stations

- WJIS (88.1) - Contemporary Christian music
- WMNF (88.5) - Folk, reggae, new music
- WYFE (88.9) - Conservative Christian music/talk
- WUSF (89.7) - Classical, jazz, National Public Radio
- WBVM (90.5) - Religious
- WKES (91.1) - Christian music/talk
- WLPJ (91.5) - Contemporary Christian music
- WYUU (92.5) - Oldies
- WFLZ (93.3) - Dance pop
- WSJT (94.1) - Jazz
- WWRM (94.9) - Soft rock (Magic 94.9)
- WXCV (95.3) - Adult contemporary
- WSSR (95.7) - Hot Adult contemporary
- WBDN (96.1) - Spanish (simulcast with WBDN, 760 AM)
- WSUN (97.1) - Album-Oriented Rock ("97X")
- WPCV (97.5) - Country
- WXTB (97.9) - Album-oriented rock
- WWRZ (98.3) - Light hits of 1980s and '90s
- WLLD (98.7) - Urban contemporary
- WQYK (99.5) - Country
- WMTX (100.7) - Adult contemporary
- WFJO (101.5) - Oldies
- WHPT (102.5) - Classic rock
- WTBT (103.5) - Classic rock
- WRBQ (104.7) - Country
- WDUV (105.5) - Easy listening
- WGUL (106.3) - Adult standards (simulcast with WGUL, 860 AM)
- WCOF (107.3) - Soft rock

**General**

## Tampa Bay has nearly 30 AM radio stations



Is Tampa Bay Online



## Tampa Bay AM Radio Stations

WDAE (620) - Sports Talk  
WRMD (680) - Spanish  
WBDN (760) - Spanish (simulcast with WBDN, 96.1 FM)  
WBDN (820) - Spanish (Tampa Bay)  
WGUL (860) - Adult standards (simulcast with WGUL, 106.3 FM)  
WSUN (910) - 1960s hits  
WKXY (930) - News-talk  
WFLA (970) - News-talk (Tampa Bay)  
WQYK (1010) - Sports/talk (Tampa Bay)  
WWBA (1040) - Talk  
WTIS (1110) - Christian talk  
WTMP (1150) - Urban contemporary/gospel  
WONN (1230) - Big Band  
WHNZ (1250) - News / Paid Programming  
WTMY (1280) - News/talk  
WQBN (1300) - Spanish  
WTAN (1340) - News/talk  
WDCF (1350) - News/talk  
WRBQ (1380) - Radio Disney  
WZHR (1400) - Easy listening  
WBRD (1420) - Southern gospel  
WLKF (1430) - News/talk  
WWJB (1450) - News/talk  
WLVU (1470) - Adult standards  
WPSO (1500) - Greek  
WXYB (1520) - Talk (8 a.m. to 2 p.m.)/ International  
WAMA (1550) - Spanish  
WTWB (1570) - Southern gospel  
WRXB (1590) - Rhythm and blues





**Combined  
Newspaper  
Revenue for  
Tampa Bay  
was \$531.9  
Million for  
the year  
2000.**



## **Tampa Bay Daily Newspapers**

**There are 6 daily newspapers in the Tampa Bay DMA. They are as follows:**

### **Daily**

**The Tampa Tribune**

**The St. Pete Times**

**The Lakeland Ledger**

**The Sarasota Herald-Tribune**

**The Bradenton Herald**

**The Citrus Chronicle**

### **Owner**

**Media General**

**Poynter Institute**

**NY Times Group**

**NY Times Group**

**Knight-Ridder**

**Landmark**

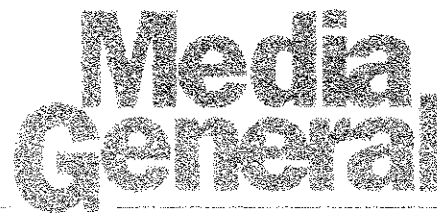
**The Tampa Tribune and The St. Petersburg Times are the 2 papers with the highest circulation.**





# Tampa Bay MG Newspapers

Media  
General  
Publishing's  
Central  
Florida  
Properties:



FLORIDA PUBLISHING GROUP

## THE TAMPA TRIBUNE

It's Good To Know



## HERNANDO TODAY

## HIGHLANDS TODAY

## The Sunbelt News

## The Suncoast News

**General**

**Tampa Bay  
Internet  
Penetration  
stands at  
54% for the  
DMA.**

Source:  
Scarborough, 2001.



## Tampa Bay Internal Portals



Is Tampa Bay Online

**Tampa Bay Online – owned by  
Media General and #1 in name  
recognition & usage.**



**Tampa Bay**  
digitalcity.com

**Powered by America  
Online.**



**Powered by the St. Pete  
Times.**



**Powered by WFTS-TV,  
Channel 28.**

**General**

## Tampa Bay Internal Portals



Is Tampa Bay Online

**Reaches 7% of the Tampa Bay  
DMA or 195,000 A18+.**



**Reaches 5% of the Tampa Bay  
DMA or 132,000 A18+.**

**Internet overall had \$24.2 Million in revenue  
in 2000 in Tampa Bay.**



Is Tampa Bay Online



**Source: Scarborough Research, 2001 and The  
Tampa Tribune Market Development Department.**



## Outdoor Billboard Companies



&



Are the two major outdoor  
companies in Tampa Bay.

Outdoor had \$22.2 Million worth of  
revenue in Tampa Bay in 2000.

Source: Tampa Tribune Market Development Department.





## Direct Mail

The Major Players are . . .



ValPak



Overall it is estimated that Direct Mail revenue for the Tampa Bay DMA is \$428 MILLION (as of the year 2000, according to Claritas & Tampa Tribune Research).

The national direct mail share is 19%, while it's 24% in Tampa Bay.



**General**

THE YELLOW PAGES - OCTOBER 2000

ONE-TIME COPY

RECYCLE ME IN NOVEMBER 2001

AREA CODE 813

verizon

SHOP ONLINE AT SUPERPAGES.COM

THE TAMPA TRIBUNE

TBO.com

Is Tampa Bay Online

News Channel 8

WFLA-TV

# Tampa Bay Yellow Pages

**12 Yellow Page Directories in the DMA.**

**Major players include Verizon and the Hispanic Yellow Pages.**

**Yellow Pages had \$108.7 Million in Revenue in 2000.**

*Source: Tampa Tribune Market Development Department*

verizon

12581

**TAMPA, FLORIDA**  
**YELLOW PAGES**  
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 www.lycos.com



**General**

## **Verbatim Responses**

**THE TAMPA TRIBUNE**

**TBO.com**  
Is Tampa Bay Online

**News  
Channel 8**  
WFLA-TV

# **Convergence Research**

**Convergence efforts give “a greater grasp of what’s going on.”**

**“They can get deeper into the story.”**

**“It gives us more information.”**

**“It makes the news more accessible.”**

**“It makes the news easier to obtain.”**

**“You get better coverage because they get the news in different ways.”**

**“It makes them more dependable because they have more sources.”**

**Source: Audience Research & Development, Inc. (March 2001).**



**General**

## **Convergence Helping Our Community**



## **Local Events & Projects**

**All Children's Hospital Telethon.**

**Back-to-School Blood Drive.**

**Southern Deaf Showcase.**

**8 On Your Side Health & Fitness Expo.**

**Too Good for Drugs Walk.**

**Toys for Tots.**

**Holiday Blood Drive.**

**Ongoing 8 On Your Side Help Lines.**

**The United Way.**

**The Gasparilla Parade.**

**Tribune Troopers & 8's Army.**



**General**

## **Convergence Helping Our Community**



## **Local Events & Projects (Continued)**

**American Cancer Society.**

**Alzheimer's Association.**

**Big Brothers / Big Sisters.**

**Clearwater Fun 'n Sun.**

**Diabetes Association.**

**The Florida State Fair.**

**The Outback Bowl.**

**The Verizon Classic.**

**MANY others.**



January 4<sup>th</sup>  
2002 a new  
alliance was  
announced:

THE TAMPA TRIBUNE

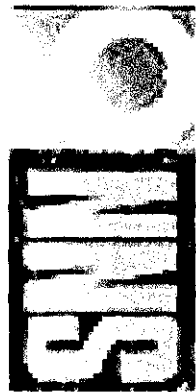


Is Tampa Bay Online



## New Partnership . . .

 **Sarasota  
Herald-Tribune**



**Media  
Central**

FLORIDA PUBLISHING GROUP



Is Tampa Bay Online

# News Convergence

How It  
Works:

Ybor City Fires  
Bridge Story  
Citizen's Voice





**How It  
Works:**



# Sales Convergence

**Still separate companies.**

**Burdines.**

**Bay Care.**

**Bill Heard Chevrolet.**

**Florida Strawberry Festival.**



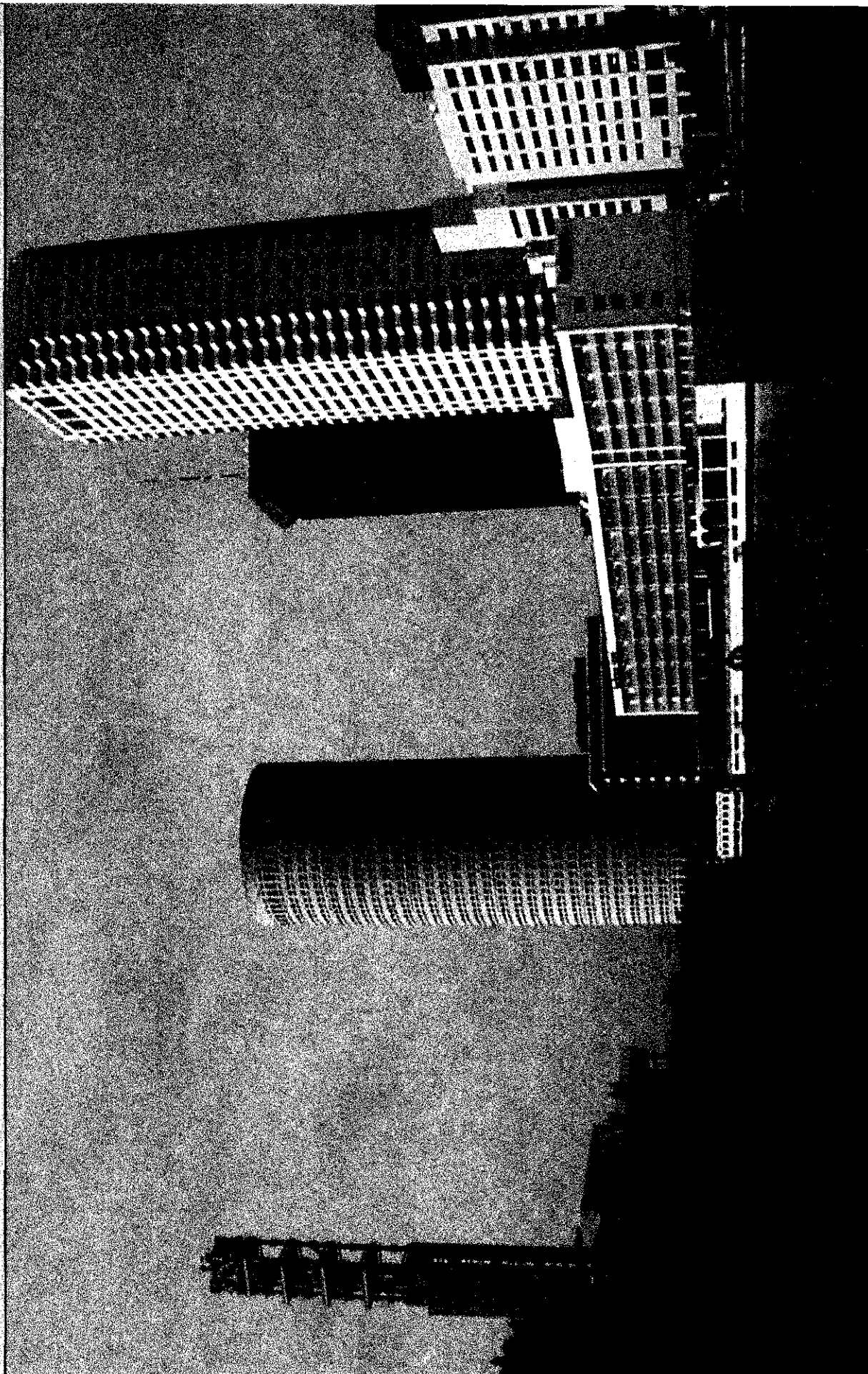
WFLA-TV  
**Central**

**News Channel 8**  
WFLA-TV

**TBO.com**  
Is Tampa Bay Online

**PAX66**

FLORIDA PUBLISHING GROUP



Thanks for your time.

WFLA News Channel 8 830.com The Tampa Tribune